

One Hundred Fifth Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the seventh day of January, one thousand nine hundred and ninety-seven*

An Act

To amend chapter 443 of title 49, United States Code, to extend the authorization of the aviation insurance program, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Aviation Insurance Reauthorization Act of 1997”.

SEC. 2. VALUATION OF AIRCRAFT.

(a) GENERAL AUTHORITY FOR INSURANCE AND REINSURANCE.—Section 44302(a)(2) of title 49, United States Code, is amended by striking “as determined by the Secretary.” and inserting “as determined by the Secretary in accordance with reasonable business practices in the commercial aviation insurance industry.”.

(b) LIMITATION ON MAXIMUM INSURED AMOUNT.—Section 44306(c) of title 49, United States Code, is amended by striking “as determined by the Secretary.” and inserting “as determined by the Secretary in accordance with reasonable business practices in the commercial aviation insurance industry.”.

SEC. 3. EFFECT OF INDEMNITY AGREEMENTS.

Section 44305(b) of title 49, United States Code, is amended by adding at the end the following: “If such an agreement is countersigned by the President or the President’s designee, the agreement shall constitute, for purposes of section 44302(b), a determination that continuation of the aircraft operations to which the agreement applies is necessary to carry out the foreign policy of the United States.”.

SEC. 4. ARBITRATION AUTHORITY.

(a) AUTHORIZATION OF BINDING ARBITRATION.—Section 44308(b)(1) of title 49, United States Code, is amended by inserting after the second sentence the following: “Any such policy may authorize the binding arbitration of claims made thereunder in such manner as may be agreed to by the Secretary and any commercial insurer that may be responsible for any part of a loss to which such policy relates.”.

(b) AUTHORITY TO PAY ARBITRATION AWARD.—Section 44308(b)(2) of such title is amended—

- (1) by striking “and” at the end of subparagraph (A);
- (2) by redesignating subparagraph (B) as subparagraph (C); and
- (3) by inserting after subparagraph (A) the following:

“(B) pay the amount of a binding arbitration award made under paragraph (1); and”.

SEC. 5. EXTENSION OF PROGRAM.

(a) **IN GENERAL.**—Section 44310 of title 49, United States Code, is amended by striking “September 30, 2002” and inserting “December 31, 1998”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) takes effect on October 1, 1997.

SEC. 6. USE OF AIRCRAFT FOR DEMONSTRATION.

Section 40102(a)(37)(A) of title 49, United States Code, is amended—

- (1) by striking “or” in clause (i);
- (2) by redesignating clause (ii) as clause (iii); and
- (3) by inserting after clause (i) the following:

“(ii) owned by the United States Government and operated by any person for purposes related to crew training, equipment development, or demonstration; or”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*